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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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MZ WALLACE INC.,	:
	:
Plaintiff,	:
	:
v.	:
	:
SUSAN FULLER D/B/A THE OLIVER	:
THOMAS, and BLACK DIAMOND GROUP,	:
INC.,	:
	:
Defendants.	:
-----X	
BLACK DIAMOND GROUP, INC.,	:
	:
Counterclaim	:
Plaintiff,	:
	:
v.	:
	:
MZ WALLACE INC.,	:
	:
Counterclaim	:
Defendant.	:
-----X	

No. 18 CV 02265 (DLC)

**DECLARATION OF SUE
FULLER**

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INTRODUCTION

1. I have always loved to develop new, enterprising ways to meet the needs of consumers. Even as a child I loved to create products that people wanted and to bring together teams to execute my entrepreneurial visions. By age six, I had set up my toy cash register, outfitted my parents' basement with homemade products, and employed the help of siblings to market and sell our products to the neighborhood kids. We were making money and more importantly, we were having fun. It was this entrepreneurial spirit and love for creative problem-solving that led me to a career in retail and ultimately to over twenty years of work in the fashion industry.

BACKGROUND IN THE FASHION INDUSTRY

2. Throughout my professional career I have learned to think about not only what products consumers want, but also how to make those products efficiently. Through work at companies including Ralph Lauren, Lands' End, L.L. Bean, Kohl's, Carhartt, and Vera Bradley, I learned about and specialized in the design, production, and sale of soft goods – products like apparel, bags, and bedding that require a deep understanding of textiles and how they can best be used to create functional, desirable products. The knowledge I gained through these prior work experiences, and continue to gain as I develop my own brand, has informed and will continue to inform my design and product development decisions at Oliver Thomas.

Work at Ralph Lauren

3. In 1995, after graduating college, I started working at Ralph Lauren as an Assistant Account Manager in the home division. Ralph Lauren's home division involves both hard goods like furniture and lighting, as well as soft goods like bedding and accent pillows. I

focused on soft goods. I was responsible for selling products to large accounts like TJX Corporation and working with the design team to sell exclusive lines that the team had created for department stores like Bloomingdales, Macy's, Belk, and Mercantile Stores.

4. Bedding was a critical component of Ralph Lauren's home division and quilted products were featured in the company's bedding lines. Part of my job was to think about how to present products to consumers; for bedding, a key solution was layering. Elegant matelassé quilts and coverlets were layered on top of sheets and under folded duvets to create a comfortable, aesthetically pleasing, top-of-bed look. The layering also provided customers with options of varying degrees of warmth. If a customer wanted warmth without the weight of a duvet, I could just sell the quilted blanket rather than the entire bedding ensemble. I generally worked with both hand-quilted products, which were more expensive, and machine-quilted products, which were less expensive. The quilts were usually available in natural fabrics like cotton and linen and occasionally in blends of natural fabrics and synthetics like polyester.

5. In working with the Ralph Lauren design team, I first started to learn that quilting was not only aesthetically pleasing, but also key to product performance. Because I needed to sell the product and communicate important features to customers, Ralph Lauren's design team would teach me about the functionality of quilting. During these conversations, I learned that quilting allowed the team to create a lightweight product that could provide warmth and withstand stress without tearing. I also learned that the size of the quilting stitch is critical to these performance features.

6. Quilting involves stitching two pieces of fabric together, with an insulating "batting" in the middle. The batting helps to provide warmth and to give the product the fluffy, aesthetically pleasing look characteristic of quilting. It is the actual quilting stitch that holds the

batting in place. I learned at Ralph Lauren, that without the stitch, the batting would migrate and congregate in clumps, just like the insulation in a duvet so often does. During my time at Ralph Lauren, I learned that the size of the quilting stitch determines the degree to which the batting can migrate. For example, larger, channel quilting, or quilting straight across and in one direction, allows for greater migration of batting than does square-stitch quilting, which holds the batting within the square pocket. Generally speaking, as the space between quilting stitches increases, the chance of batting migration and clumping also increases.

7. Batting clumps negatively impact the product in a few ways. The simplest and most obvious consequence of clumping is that the product looks bad. Customers want a durable blanket that is going to maintain its shape, rather than one that is going to start to look lumpy over time. I learned that in addition to negatively impacting appearance, there are some less obvious consequences of clumping. For example, batting clumps diminish a quilt's ability to provide warmth uniformly. Because batting is no longer evenly dispersed throughout the entire quilt, portions of the quilt are left without batting and its insulating properties. Additionally, the batting clumps also decrease tear strength – a product's ability to withstand tension without ripping. At Ralph Lauren, the design team was very concerned about tear strength because people naturally tug on their blankets and sheets as they sleep. In order to create a functional product, the team had to design a blanket that could withstand the stresses of everyday use. From my conversations with the design team, I learned that quilting with smaller stitches that hold the batting in place, better withstands pulls than does quilting with broader stitches that allow the batting to migrate. When the batting migrates, the two panels of fabric lie face-to-face and are left without the batting in between to fill the space and strengthen the product by holding the various panels together.

8. This initial exposure to quilting and these formative lessons from Ralph Lauren's design team provided a great foundation for continued experiential learning as I moved on to positions at other companies.

Work at Lands' End

9. To the best of my recollection, in mid-1997, after two and a half years at Ralph Lauren, I left my first post-college position and started an apprenticeship and management training program at Lands' End. At Lands' End, I reported directly to the executive team and had more opportunity for upward advancement. I again worked within the home division, in which I started as Assistant Product Manager, and was eventually promoted to Product Manager, of soft bedding. Just as I did during my time at Ralph Lauren, I worked with soft products like pillows, down comforters, sheets, quilts, matelassés, and towels. In addition to my work with home goods, I also worked with apparel. I worked on Lands' End's children's lines and on Lands' End's women's tailored clothing, which primarily involved sweaters and woven tops and bottoms. I also helped to launch a direct-to-consumers, collegiate line consisting of fleece, puffy jackets, apparel, and accessories.

10. As part of my position at Lands' End, I also oversaw merchandising for the company's prospecting catalog. This catalog featured the Lands' End products that were best-suited to acquire and retain customers, at the most advantageous, financial benefit to the company. I worked with merchants across the company to understand the products they were developing and how consumers were reacting to those products. In engaging with merchants, I met Greg Houser, who was responsible for developing lightweight outerwear. In order to help me decide which products to include in the prospecting catalog, Greg would teach me about the

functional benefits of his outerwear—he specifically emphasized that his quilted outerwear was strong, lightweight, and durable.

11. At Lands' End, I was much more focused on product design and product sourcing, rather than on sales, which had been the focus of my work at Ralph Lauren. Throughout my time at Lands' End, I learned a great deal about product sourcing and supply chain operations, and I directly interacted with the domestic and international factories with which Lands' End did business. For example, I did a fair amount of work with Biddeford Textiles in Maine and I also travelled internationally to work with Sarita Handa, a premier quilter in India.

12. My Ralph Lauren lessons on the functional benefits of quilting came in handy during my time at Lands' End. I incorporated quilting into the design of a number of products that needed to be tear resistant; I used quilting for dog beds, baby coverlets, and children's nap mats. I also incorporated quilting into the design of a number of products that needed to be warm and lightweight; I used quilting for bed shams, blankets, and outerwear for the collegiate line.

13. To create these products, I primarily worked with Sarita Handa, a textile and fabrics brand founded in India in the early 1990's by Sarita Handa herself. I traveled to India to meet Sarita Handa employees and to better understand how the organization operated. When I first went to India, the country was not developed and companies were just starting to build factories. Quilting was very much a cottage industry; women would go to facilities to pick up the supplies they needed and then head back to their homes where they would hand quilt all of the products. Sarita Handa was a brand that took great pride in the beauty and uniqueness of its quilting and the Sarita Handa employees produced quality work.

14. When I first started to work with Sarita Handa, the brand was just starting to move to machine quilting. This was a move that put the organization at the very forefront of its industry. Sarita Handa produced both hand-quilted and machine-quilted products for Lands' End. During my visits to India, employees at the factory continued to teach me about the functional benefits of quilting. They echoed the importance of keeping the batting in place with close stitching and noted that uniform dispersal of the batting helps to produce a lightweight, warm, and strong quilt.

15. In working with organizations like Sarita Handa, I also had to think about the cost of materials and labor. I quickly learned that the least functional quilting option – the channel quilting that allowed for batting migration – was also the cheapest quilting option. Because channel quilting only needed a single, straight line of stitching down the fabric, it required less labor and time to produce. The simpler production correlated with lower costs. In these initial trips, I learned how important it was to find an appropriate balance between functionality and cost. An example of channel quilting is included below.



(Ex. D151, OT-0050481 (Moncler, Kinly Bag); Ex. D151, OT-0050499 (Moncler, Kilia Bag).)

16. Lands' End was also the first time I extensively worked with synthetic fabrics like nylon and polyester. In working with merchants to merchandise outerwear for the collegiate

lines, I tried to find fabrics that would allow our team to create durable, warm, and lightweight products. As simple as that concept sounds today, in the late 1990's the concept of a warm yet lightweight jacket was revolutionary. In the 1990's, most companies were still making outerwear that was thick and heavy, and Lands' End was no exception to this trend. Consumers had really become accustomed to associating the thickness and weight of fabric with the degree of warmth a jacket could provide. The idea that a thin, lightweight fabric could keep a person just as warm as a thick, heavy fabric was revolutionary in the 1990's.

17. During my time at Lands' End, companies were just starting to incorporate high performance, lightweight synthetics like nylon and polyester into their outerwear lines. Lands' End was one of the companies making this transition. Because use of lightweight synthetics was fairly new territory, product testing was critical. For any performance product, extensive testing and competitive analysis was, and continues to be, common practice. Divisions receive extensive budgets for purchasing and testing samples of performance products like footwear, outwear, and bags.

18. At Lands' End, our divisions had substantial, sample budgets of up to \$100,000 per year, and we would purchase a wide array of competitors' products. We would then take those products and break them down to understand what worked well and what did not. We tested tear strength, water resistance, colorfastness, washability, and abrasion resistance, among other things. Testing all of these sample products informed our design choices and allowed us to create designs that worked. In creating outerwear – products that our customers would wear in extreme conditions – we needed to know that our final design was going to be functional. Understanding how competitors' products worked allowed us to efficiently create a superior, functional product. This extensive testing also carried with it the added benefit of informing our

marketing claims. Gary Comer, the founder of Lands' End, came out of the world of Young & Rubicam and always emphasized the importance of claim substantiation. Because we thoroughly understood our competitors' products and had compared those products to our own, we were able to make claims that our products were "warmer than most," or "stronger than most."

19. Lands' End was the first time I really learned how critical it is to test and analyze competitors' products. I continued to learn through other positions that it is common practice in the fashion industry to purchase samples of competitors' products and perform product analysis. This type of study allows industry professionals to understand the elements of competitors' products that work well and to use those functional elements as inspiration for new products.

20. One of the greatest takeaways from extensive testing at Lands' End was that the combination of lightweight, synthetic fabric and quilting was essential to creating a truly functional product—one that would be warm, lightweight, and durable. Natural fibers tore more easily than the new, synthetic materials and were less insulating per pound. Additionally, quilting allowed us to lock in the insulating batting material, which allowed us to create lightweight outerwear that provided the same degree of warmth as the heavier jackets that had been a part of Lands' End's more traditional lines.

Work at L.L. Bean

21. In 2000, I left Lands' End for the opportunity to work as a Merchandise Manager at L.L. Bean. My former Lands' End colleague, Ron Campo, had transitioned to L.L. Bean and recruited me to join the new L.L. Bean management team that he was assembling. L.L. Bean was struggling financially and Ron was looking for a fresh team with the energy and creativity to improve the company's financial standing. I was initially recruited to focus on L.L. Bean's kid's

line, which is known for outerwear and backpacks—two products that accounted for about 60% of the kid's line business. I also worked on the women's line, as well as adult activewear, knits, and woven products. L.L. Bean was really the first company at which I had significant management responsibility. I was responsible for teams of people and had to make critical production decisions.

22. Because I was more integrally involved in production decisions, I worked closely with scientists and textile engineers who were testing our products. Particularly for outerwear, we had to ensure that our products performed well. We sponsored and created practice uniforms for the Kids Bubblecuffer Program at Sugarloaf Ski Resort and the U.S. Junior Ski Team, and for safety reasons, we had to make sure that our products would protect children exposed to extreme mountain conditions, for long periods of time. Companies like Patagonia, North Face, and Montbell were already in the business of producing lightweight yet warm outerwear. These lightweight products were becoming more popular; people engaging in the more extreme outdoor sports were developing back issues from lugging packs loaded with equipment. The more we could lighten the load, the better. We wanted to compete in the marketplace with our own lightweight product, but knew we could not do so at the expense of our product's durability or warmth.

23. The solution was to engage in extensive sample testing. At L.L. Bean, I again had a substantial budget to purchase competitors' products. My team would buy products and then break them down and analyze them to figure out what worked from a functionality and durability perspective. We engaged in extensive product testing, both on our own products and on competitor's products; I worked with scientists and textile engineers to understand the results of tests on tear strength, abrasion resistance, and colorfastness to light. Based on the results of

these tests, my team considered different fabrics and thread formulations for our own product designs. For example, we looked at various insulating fabrics like down and primaloft, which we learned, at that time, was more prone to clumping. I also specifically remember considering the advantages and disadvantages of exterior, ripstop fabrics, which are woven fabrics made of nylon that are designed to be more tear resistant. I compared ripstop fabric to plain weave fabric in order to determine which would produce a stronger, more functional quilted product. While ripstop had greater tear resistance, it tended to be more textured and could potentially make products appear stiff.

24. At L.L. Bean, I also continued to learn about the importance of quilting. Quilting our outerwear was the key to creating a more durable product. In the event a jacket is torn, quilting helps to stop the tear from spreading. In thinking about jackets for children who would be skiing or would be out in nature where they are exposed to branches and sharp objects, I wanted to design a product that would minimize tears. Tears can easily catch on branches and spread across the fabric. Quilting, however, can help minimize this problem by creating a thread barrier that stops tears from spreading. Smaller quilting stitches better accomplish this goal because they minimize the exposed, flat surface area between thread barriers. As a result, because lighter fabrics were more prone to tearing, when working with lighter fabrics, smaller stitches were critical to functionality. These were lessons I applied to the creation of jackets at L.L. Bean.

25. Because I also had to consider production costs at L.L. Bean, the solution was not quite as simple as choosing the smallest quilting patterns. Through sourcing and speaking with my manufacturers, I learned that smaller quilting patterns require more stitches and more time on the line; more time on the line, in turn, leads to higher production costs. In contrast, larger

quilting patterns like channel quilting, require fewer stitches and less time on the line; less time on the line, in turn, leads to lower production costs. At L.L. Bean, I wanted not only to minimize costs, but also to produce lightweight, warm, and tear-resistant outerwear. Because larger quilting patterns exposed a greater amount of surface area to tears, I knew that I would need to use a thicker and heavier fabric, less prone to tearing, in order to create a warm, durable product. My design choices ultimately represented compromises reached after thoughtful analysis of the many elements at play. Depending on the goals we set out to achieve for a particular product, balancing the various elements—for example, finding that sweet spot of fabric heft and quilting size—allowed us to create highly functional, lightweight, durable products at a reasonable cost.

26. In addition to working on quilted products, I also worked on adult activewear while I was at L.L. Bean and I helped to start a line called Beansport. This was my first taste of the athleisure trend and I definitely believed that we were on to a trend that would continue to grow in popularity. Beansport consisted of lightweight athletic wear. To develop and create these products, L.L. Bean provided me with an \$80,000 budget to purchase samples from companies like Sweaty Betty, Lululemon, Title 9, and Athleta. Because Europe was out in front of this trend, I also traveled to Germany, England, and France to collect ski wear for inspiration. Analyzing samples helped me understand what consumers were looking for.

Work at Kohl's

27. In 2005, after five years at L.L. Bean, I decided it was time for a change and I accepted a position at Kohl's Department Stores. At Kohl's, I was initially hired to work on the Tony Hawk line, a young men's clothing brand. However, I was quickly promoted, first to oversee the largest young man's brand Urban Pipeline and boys' 8-20 private label, and then again to oversee the women's Sonoma brand. While I was at Kohl's, I had a team of about 25 to

30 designers, technical designers, CAD artists, print artists and pattern makers reporting to me. In this particular role, my job was not to dig into design details. Instead, I was responsible for driving the overall brand vision, direction, and strategy. While I was at the company, Kohl's was in a high-growth mode. In particular, there was a huge initiative regarding driving the private label strategy.

28. To better understand competitors and trends, my teams at Kohl's would go out and purchase sample products. Divisions had budgets that allocated as much as hundreds of thousands of dollars for purchasing samples within about 30 categories of business including various categories of clothing. My team would constantly, domestically and internationally hunt for trends at trade shows, trend presentations, festivals, and concerts. We had rooms filled with competitors' products and we analyzed those products to better meet consumer needs and preferences. While we tended to produce mid-tier products, we purchased both high-end and low-end samples; I remember seeing samples from J.C. Penney, Mervyns, True Religion, Wrangler, Levi, Hudson, Vera Wang, Splendid, Vince, C&C, J. Crew, Max Mara, Michael Kors, D&G, and Louis Vuitton.

29. While I was Kohl's, I was deeply involved in supply-chain strategy and product sourcing. I traveled to India, China, Hong Kong, Bangladesh, Pakistan, Taiwan, and Singapore to walk factories, to study how they operated, and to evaluate efficiency. I spent time on production lines and learned about details like the different types of needles used for various stitch types. This experience allowed me to develop extensive knowledge as to the comparative strengths and weaknesses of various factories and the kinds of products they could manufacture. For example, some countries were less developed and the factories were not outfitted with the particular machinery needed for the production of certain products. Working with China was

often efficient because even if a factory was not already outfitted with the proper equipment, the technology was usually produced locally and could be acquired easily, though at a cost. By incorporating efficiencies, my team was able to grow the Private Label business from a quarter of Kohl's total business to half of Kohl's total business.

30. In order to continue to grow the private label business, I was trying to re-source the private label business at Kohl's, which eventually grew to half of Kohl's total \$17 billion business. This was no easy task. Re-sourcing allowed us to take the business directly to the factory rather than deal with a middleman; this allowed us to make the same products for less. In order to manufacture a wide range of products, I tried to standardize product lines and materials. The best way to do this was to use standard, widely available fabrics and production methods that led to lower per unit costs. This allowed me to purchase products in bulk and at lower prices. Standardization also provided me with supply-chain flexibility and the ability to move to alternative manufacturers capable of accomplishing the same task but for a lower CMT ("Cut, Make, Trim") cost.

Work at Carhartt

31. In 2011, after an exciting and educational six years at Kohl's, I accepted a position as Senior Vice President and General Merchandise Manager at Carhartt. I was brought in as part of a fresh management team selected to help turn around the company, which had been struggling financially. At Carhartt, I was responsible for overseeing every aspect of Carhartt's product lines, from supply chains to licensing agreements. Carhartt was really known for producing highly functional apparel that was often worn by blue-collar workers on construction sites. The company's product was usually made of a thicker, heavier duck canvas—a plain woven cotton fabric designed to withstand abrasion and the wear and tear of manual labor.

Construction workers needed not only to be warm but also to be protected from the various hazards they would encounter every day on a job site.

32. By the time I joined Carhartt, lightweight products were already commonplace in the outdoors industry. However, lightweight jackets were only just starting to make their way onto job sites. Younger construction workers had started wearing fleece hoodies and athletic apparel to work and were beginning to layer the durable, lightweight, synthetic outerwear that had become trendy within the athletic industry. The layering allowed workers to achieve the same degree of protection they had with heavier weight jackets, while simultaneously preserving flexibility and mobility with warm yet lightweight products. Carhartt continued to make products in its traditional, heavy duck canvas, but decided to also produce affordable, lightweight outerwear in order to appeal to this newer, younger customer base. The goal was to follow the customer and to create what the customer wanted.

33. Because my team at Carhartt needed to create highly functional products that provided protection on job sites, we did extensive testing and competitive analysis. We tested the tear strength and abrasion resistance of each product. We also analyzed racks of competitors' products; we bought products from brands including Timberland, Timberland Pro, Bulwark, Red Kap, Royal Robbins, 5.11 Tactical, Patagonia, Nike, Under Armour, Dickies, and Columbia. We then broke these products down to better understand how to create outerwear that was both durable and lightweight.

34. The creation of outerwear that was both durable and lightweight was not new to me; I had done this both at L.L. Bean and at Lands' End. As a result, I was able to draw upon my prior work experience to create products that met the needs of Carhatt customers. I had learned early on in my career that quilting was an effective way to improve tear strength.

Bearing this lesson in mind and considering the results of our analysis of competitors' products, we incorporated quilting into Carhartt's new lines of jackets. I had also learned that synthetics were both lightweight and durable; so at Carhartt, we worked with polyester and various types of nylon, including Cordura nylon.

35. At Carhartt, I continued to learn about the various types of quilting and how the different approaches to quilting impacted cost. We incorporated channel quilting, brick quilting, oblong-diamond quilting, and square-diamond quilting into the outerwear lines. The costs of actually incorporating quilted fabric panels into the outerwear varied. Even though channel quilting was actually the easiest quilting to produce because of the simple, single-line stitch required, it was difficult to incorporate channel-quilted panels into products. The issue was the need for perfect alignment of the panels in order to achieve a clean, aesthetically pleasing look. If the channel quilting did not perfectly align at the seams, the products would look cheaply made. Because it is challenging to actually align channel quilting, the construction of channel-quilted products is time-consuming and expensive. For example, while there are certainly other factors that contribute to cost, the examples of channel quilting that I referenced earlier—the Moncler Kinly bag and the Moncler Kilia bag—are to the best of my knowledge, respectively sold at the expensive prices of around \$650 and \$825. (Ex. D151, OT-0050481; Ex. D151, OT-0050500.) In contrast, the smaller, diagonal lines of a diamond-quilted pattern do not need to be perfectly aligned at the seams; misalignment is less distinguishable to the eye and therefore does not impact the overall aesthetic appearance of the product. As an example, see the images of the diamond-quilted product below.



(Ex. D151, OT-0050565-66 (Archer Brighton, Chloe Backpack).)

Because misalignment is less perceptible and therefore, less of a concern, it is less expensive to assemble diamond-quilted panels into a final product.

36. Because our target customers were blue-collar workers, keeping cost and ultimately, price down, was a critical concern. At Carhartt, we wanted to ensure that we were producing a quality product but doing so at an affordable price. To do this, I was able to employ some of the lessons in standardization I had gained from my experience at Kohl's. I focused on supply-chain resiliency and lowering the per-unit cost of each product by relying on similar fabrics across many product lines. Selecting core fabrications allowed me to take advantage of economies of scale and reduce losses due to quality-control issues. I also had the added comfort of knowing that if a product were to fail, I could reroute purchased resources to other, more successful products. A number of the companies at which I have worked have incorporated this technique into their core strategy and have created fabric pyramids of select, core fabrications designed to increase economies of scale.

37. As General Merchandise Manager at Carhartt, I was responsible for managing licensees. I would communicate core fabrications, core technologies and functionalities, and

core themes to the various licensees. The licensees would then develop products that aligned with the criteria I had provided. For example, one of our core themes was “keep me mobile,” a mantra designed to promote the development of lightweight, functional products. In response to this theme, Black Diamond, Inc., a Carhartt footwear licensee produced a shoe with a Cordura nylon upper and quilted rub points designed to reinforce strength and durability.

38. Working with Black Diamond as a Carhartt licensee is how I first met Alan Lunder. Alan is the CEO of Black Diamond and our first interaction was a phone conversation regarding Black Diamond’s sales of Carhartt footwear. After our initial conversation we continued to discuss business about once a quarter and met in person about two-to-three times in person.

39. Around 2013, I was ready for a change and started looking for employment elsewhere. I interviewed at Harley Davidson and Shinola, and during the interview process, I called Fran Phillips, former Chief Merchandising Officer and colleague at L.L. Bean, for a reference. Fran was on the Board of Directors of Vera Bradley. Vera Bradley, which was struggling at the time, had just hired a brand new CEO named Rob Wallstrom. The company was revamping its entire management team and, according to Fran, was in need of a chief merchant with my skill set.

40. Fran asked me to meet with Rob and I agreed. I put together a five-year strategy, flew to Fort Wayne, and met with Rob over dinner. In a second meeting, I also met Barb Bradley one of the company’s co-founders, as well as Kim Colby, EVP of design at Vera Bradley. These meetings went surprisingly well and I loved the team. I had never thought of myself as a Vera Bradley girl, but I was so excited to work with this particular team of people

that I accepted the position of Chief Merchant Officer (“CMO”)—a position that Vera Bradley created for me.

Work at Vera Bradley

41. I started at Vera Bradley in early 2014. As CMO, I was responsible for merchandising, planning and supply chain for Vera Bradley’s entire line of products. Since its founding in the early 1980’s, Vera Bradley’s core business has been selling quilted handbags. At the time I joined the company, Vera Bradley was primarily using a rectangular-diamond, quilted pattern, on products like the one depicted below. (Ex. D170, VERA-0000322.)



The company primarily used cotton fabric, but had also produced handbags in microfiber, polyester, leather, canvas, and denim.

42. When I started at Vera Bradley, the company had issues with sales growth and there was a depletion in cash on hand. During my first walk-through, which is an examination of mock stores and product displays on the Vera Bradley campus, I saw Cheery Blossom and Pink Swirls-patterned Perfectly Puffy bags. The Perfectly Puffy bags were a quilted, polyester line of bags developed in 2012. An image of the Perfectly Puffy is included below.



Unfortunately, this line of handbags had ultimately failed, and just as I was starting at the company, a large stock of Perfectly Puffy bags had to be liquidated.

43. The Vera Bradley team wanted to understand more about why the Perfectly Puffy had failed and to more generally understand trends in the market. To better understand consumers' responses to various handbags, we used biometric feedback. Biometric feedback involves hooking consumers up to machines and measuring metrics like change in heart rate and where a consumer's eyes travel in response to particular products. We also spoke directly with retailers and asked them whether they believed they could sell a quilted, synthetic handbag. Both the biometric feedback and retailer predictions seemed to suggest that the Perfectly Puffy, or a similar product, would be a success. Consumers were asking for a more modern, synthetic handbag. So we created a new line of Perfectly Puffy handbags, first in a diamond-quilted pattern and then in a chevron-quilted pattern, which was more expensive. (*See, e.g.*, Ex. D170, VERA-0000311.) An image of the product is included below.



We purchased costly air time on QVC to sell the product and we really believed we were on to something. We continued to promote the functionality of the product, including the quilting, Vera Bradley's classic six-pocket technology, and a strap designed to be long enough to fit over a winter coat. Unfortunately, the product was a disaster. The sales of this product were so poor that in sales data, although Vera Bradley will often list out product lines by fabrication or distinct name, this line of Perfectly Puffy products was often classified as "Other"; to the best of my recollection, sales figures for the "Other" category of products were very poor throughout my time at Vera Bradley. Despite indicating they were interested in modern, synthetic handbags, consumers were not buying our product.

44. In light of the market research we had done, I started to wonder whether price was really the issue with the Perfectly Puffy. The items within the line ran as high as \$138 and averaged around \$98. However, Vera Bradley customers were accustomed to paying about \$70 for a Vera Bradley tote. I was concerned that we had outpriced our customers by focusing on product features, rather than on supply-chain standardization and cost. Vera Bradley manufacturers were accustomed to dealing with cotton, and the new synthetic fabric was lighter and had a texture that was more prone to slippage during the quilting process. We simply did not

have a supply chain with a strong expertise in quilting synthetics. As a result, our production costs and ultimately the product price point were high. We had produced a product that was simply too expensive for our customer base.

45. Perfectly Puffy had failed and Vera Bradley needed to revamp its quilted lines. We knew change was necessary, but were not quite sure as to the best direction in which we should move. To make an educated decision, we conducted further market analysis. We had an entire room dedicated to storing competitor samples and we purchased products from a variety of brands including Michael Kors, Coach, Marc Jacobs, Bagallini, Tumi, Samonsite, Tory Burch, Lands' End, Steve Madden, Henri Bendel, Kipling, Scout, Brighton, Lug, Hobo, Jansport, Bricks Luggage, Lululemon, Kate Spade, Louis Vuitton, and Chanel. I do remember seeing MZ Wallace handbags in our sample room; however, the samples that I recall seeing were mainly Bedford nylon products and I do not remember seeing any quilted MZ Wallace products. These non-quilted samples were inspiration for the Preppy Poly product line, a line of smooth polyester handbags, with a scratch-like pattern. We also had samples of types of fabric, including canvas weaves and heavier grade nylons, and additionally purchased products like luggage, blankets, robes, shoes, and rain boots.

46. In light of our research and the need for change, the executive team started considering new varieties of quilting. We looked at moving to other types of quilting like mini-channel quilting, flower patterns, and star patterns; however, these designs were all too expensive for Vera Bradley. A new designer at Vera Bradley suggested that we shift toward a more modern, trendier, square quilt. She was particularly interested in using squares with sides that measured 1/2". To do this, however, we needed to think about cost.

47. Because I was responsible for the supply chain, I investigated ways in which Vera Bradley could develop a more sophisticated supply chain that would help to drive down product price points. When I first started at Vera Bradley, the company was still making products in the United States and China. I challenged the team to move production to a country with a lower cost of labor and we started to look at countries like Vietnam, India, Myanmar, South Korea, Cambodia, and Taiwan. We ultimately settled on Vietnam because several Vietnamese factories had already established the infrastructure necessary to produce a line of Coach handbags. These factories were not, however, set up to do embroidery quilting, which requires a special machine, can take longer, and is much more expensive. The 1/2" square quilt that our designer recommended required embroidery machines rather than flatbed machines, which are used for less-expensive, standard quilting. In developing the Vera Bradley supply chain, I also spoke with our manufacturers and learned that while other variables like needle size and heat also impact the analysis, small quilts like a 1/2" quilt are more prone to thread breakage. Thread breakage, in turn, increases the time needed for repair and the ultimate time on the line. Overall, creating 1/2" squares on an embroidery machine was likely to cost about 33% more than it would cost to create 1" squares on a flatbed machine.

48. As a company, we reached a compromise between design and cost. We ultimately settled on a 1" square quilt for our primary lines of cotton handbags and a smaller, square quilt for a new line of microfiber handbags. The plan was to raise prices of all of the handbags and accept a smaller profit margin for microfiber. The microfiber products were produced in solid, sophisticated colors, rather than the traditional, bright Vera Bradley prints. Our plan was to market these products as a professional, premium line. This line was designed to target young, female professionals who had aged out of and did not yet have children for

whom they would purchase Vera Bradley's classic products. We wanted to create a more sophisticated bag that female professionals could actually use for work. The women we were targeting had higher average household incomes and greater buying power than our traditional customer base. As a result, we felt that a higher price point would not be a problem.

49. Changing the quilting of Vera Bradley's products was a very important decision that was ultimately a decision made by both upper management and the Board of Directors. Quilting was such an integral aspect of Vera Bradley's products and the type of quilting employed had such a great impact on the price of Vera Bradley's products that the decision to change directions required the approval of many. The Board of Directors met for two days and listened to presentations on the new aesthetic and costing. Ultimately, the Board approved the switch to the 1" square quilt for the company's iconic, cotton fabric line (which is all quilted), and, to the best of my knowledge, today Vera Bradley continues to use a 1" square quilt like that on the product depicted below. (Ex. D170, VERA-000301)



50. Over time, the fantastic team of people that initially drew me to Vera Bradley began to leave the company. Around March of 2017, I started interviewing at Sequential, which owns Martha Stewart, and at TJX Corporation.

WORKING WITH KATE FALCHI

51. While I was at Vera Bradley, I interviewed Kate Falchi for a position at the company. The Vera Bradley management team ultimately decided that Kate was too junior for the role for which she had applied. Although I agreed that Kate was not the right fit for Vera Bradley, I believed that Kate was a talented designer. Kate and I stayed in touch. At the time, I was on the Fashion Accessories Council, and once a quarter when the council had meetings in New York, I would check in with Kate.

52. To the best of my recollection, around November 2016, Kate was interested in designing her own handbags and she reached out to Rob Wallstrom and to me to see if Vera Bradley would buy her company and invest in her designs. Vera Bradley was struggling financially at this time, and investing in a separate company was not the right move for Vera Bradley. I still thought Kate had potential. The next time I was in New York for a Fashion Accessories Council, I introduced Kate to Alan Lunder, who continued to serve as CEO of Black Diamond and who by that time, I had started dating. Along with Kate's significant other Jeff, we all went out to dinner. During the dinner Kate generally discussed her interest in wanting to work on and lead a total design concept.

53. Shortly thereafter, in early January 2017, Kate and I met up for breakfast. At breakfast, I told Kate I had a potential idea on which she could work. Alan had developed an idea for a line of modern, Ralph Lauren-meets-Herschel handbags, and I had helped him pull tear sheets, which are pages from magazines and sourcebooks that serve as inspiration for design. During breakfast, I used the tear sheets to illustrate and pitch Alan's idea to Kate. Kate was

interested and shortly after our breakfast, to the best of my knowledge, Alan decided to bring Kate on board with Black Diamond to develop this soft-concept under the Kingfield name, a name to which Alan owned trademark rights. Alan spent part of his childhood in Kingfield, Maine, and my children were born in the area, so we were both sentimentally attached to the idea of Maine-inspired handbags. The vision for this line was a made-in-the-U.S.A. handbag line with a nostalgic look, classic to Maine. The brand would consist of classic, canvas bags sold direct-to-consumers, a sales strategy that was growing in popularity within the fashion industry.

54. At this time, January 2017, I was still working at Vera Bradley. I approached Rob Wallstrom, to let him know that I had found someone to help Kate Falchi design a line. I also asked if I could assist and if Steve Bowman, who was searching for potential domestic bag manufacturers for Vera, could help with Kate's supply chain. Rob agreed to let us assist in the development of Kate's product. Around early February 2017, Kate traveled to Maine and Texas with Steve, who was headed to those locations for Vera Bradley, to take a look at potential domestic factories for Kingfield.

55. It quickly became clear that Kate's concept had turned into a design that was too complicated for production within the United States. Her proposed product decks depicted a detachable cube system for which she was working with Alan to obtain a patent. This product was so distinct from the original Kingfield vision, that it really was its own, new design. Jeff eventually developed a new name for Kate's proposed line; the new line was to be sold under the name Totem Totes. This new line was designed to solve the everyday carry problem: the concept was a bag with magnetized, detachable, cube compartments that allowed for easy transitions to different aspects of life. The compartments could also be stacked on the inside of the bag, rather than attached to the exterior. Kate designed the bag in a cotton twill and cotton

canvas material and wanted to sell the product direct-to-consumers. The bags were also intended to be sold alongside patches that would allow consumers to customize their products.

56. At this point, around April 2017, my role in Totem Totes was solely advisory. Kate needed help with issues like how to actually construct her design and where to obtain samples. She worked with Steve Bohman who helped her source a round of samples from a factory in Asia. Alan also connected Kate with a graphic artist who could help her develop a logo. Steve Bohman put Kate in touch with a woman named Carmen Wu, who I had worked with at Kohl's and who had connections to manufacturers who could produce Kate's line. I was trying to do what I could to help a designer succeed.

57. By early May of 2017, Kate had solidified her concept enough to start pitching the idea to friends, family, and colleagues. We wanted to get as much consumer feedback as possible before bringing the product to market. I personally conducted a few informal focus groups to see how people responded to the Totem Totes concept. The groups I led were based in Massachusetts, Wisconsin, Michigan, Indiana, and Texas. I also tried to get feedback from family and friends whenever possible. Overall, the feedback I received was consistent: consumers thought the Totem Totes canvas fabric looked too heavy and old-fashioned. They did not like that the product was not lightweight and functional like other products in the market, and they would try to compare the product to products of other brands like Louis Vuitton, Vera Bradley, MZW, Brighton, Michael Kors, Le Sportsac, and Scout. Consumers seemed to want a washable, everyday carry that could serve as a single replacement for the myriad of bags including gym bags, work bags, and diaper bags that so many women carried.

58. In Texas, I hosted a lunch at which I pitched the idea to my older sister and her friends. The group consisted mostly of women in their 40's and 50's, who were moms,

executives, and generally people with incredibly busy lives. I explained the detachable cube concept and walked them through our product deck. Overall, the response was lukewarm at best. The audience liked the idea of a multipurpose bag, but they were concerned that the detachable compartments would be too easily misplaced and generally that the compartments made the bag appear too cumbersome. Many of the people to whom I pitched were Vera Bradley customers. I had asked all of the women to bring their favorite handbags with them to the focus group; while I do recall that women brought other brands like Louis Vuitton, I remember that many of the participants brought Vera Bradley. They loved the soft, comfortable, yet functional style of Vera Bradley, and were not interested in Totem Totes' heavier, cotton twill or canvas, unisex look. They also liked the price of Vera Bradley, which produced tote bags for less than \$100. Generally, the feedback was that women wanted a highly functional, *affordable*, multi-purpose bag that was lighter and simpler than the Totem Totes concept.

59. To the best of my recollection, by this point I had a product sample and I showed the bag to family members. I used the sample to demonstrate the detachable cube concept and explained that the detachable cubes could either be attached to the outside of the bag or within the bag. Again, response was not great. My family members liked the idea of a bag that could help them transition from one activity to the next, but they did not like the idea of a detachable cube that could easily get lost. In fact, my sister suggested that we just build the storage cube inside the bag, rather than construct it as a separate, detachable unit. Response to the fabric was also negative; my family did not like the cotton twill or canvas fabric because it was heavy and it was not washable. I was pitching the bag as something that could be used outdoors and could travel well to places like the beach; but no one wanted to take a bag they could not easily clean to the beach.

60. At this point, I really hoped that this initial consumer feedback was simply wrong. I was still incredibly attached to the idea of a cotton twill or canvas bag that was both somewhat nostalgic, like the original Kingfield concept had been, and also allowed for easy transitions from one activity to the next. Despite my attachment to the canvas concept, I did start to wonder whether we should shift to a new design that still aligned with our broader goals and ideas. I suggested to Kate that we consider the same design but in other fabrics like ripstop nylon or a lighter canvas. Meanwhile, we continued collecting consumer feedback.

61. I conducted another focus group in Wisconsin. Attendees included my younger sister, my sister-in-law, my nieces and their friends, my brother, and friends of my siblings. Again, I asked everyone to bring their favorite handbag and asked them what they liked about their choices. I saw a mix of products from brands like Vera Bradley, Brighton, Sea Bags, Coach, MCM, Michael Kors, LeSportsac, Scout, and Louis Vuitton. My sister's friend from Chicago brought an MZ Wallace bag with her. Generally, customers loved the functional features of their bags; they loved fashion bags like those made by Louis Vuitton, but found them insufficiently functional (and too expensive) to be an everyday bag.

62. I again pitched the Totem Totes concept to the Wisconsin group, and received the same response. It was my understanding that people did not like the heavy, twill or canvas fabric and they thought that the concept was too complicated. They wanted a functional, washable handbag that was light and soft like their puffy, North Face jackets. Moreover, they wanted an affordable product for around \$100.

63. I also spoke with women I knew who had worked as sales representatives and asked them what they thought of the Totem Totes concept. Overall, the women I spoke with loved the concept of a multipurpose bag that could eliminate the multi-bag syndrome—that need

to carry several different bags for different activities. They even liked the detachable cube concept. However, they ultimately thought the product was too heavy and that the fabrication was off.

64. In late May and June of 2017, I conducted additional focus groups in Michigan. The audience primarily consisted of friends and the age range of the group was broad, ranging from teenagers to women in their 50's. When I explained the Totem Totes concept and the desire to eliminate the need to carry multiple handbags, the group loved the idea. However, when I showed them the actual product, the group uniformly disliked the execution. I received feedback that the product was too heavy and too masculine looking.

65. At this point, I called Kate and explained that I felt that consumers simply were not interested in Totem Totes. There were aspects of the Totem Totes concept that consumers liked. For example, consumers liked the idea of a product that could eliminate the multi-bag syndrome. They also liked the customizable patches and the opportunity to make their handbags conversation pieces. However, consumers did not like the weight of the bag, the non-washable canvas fabric, and the concept of detachable compartments that could easily get lost. The consumer feedback suggested that we needed to incorporate the aspects of Totem Totes that worked into the design of a new product—a fun, lightweight, washable, multi-purpose tote that had the softer, feminine feel of a puffy winter coat. It was particularly important that the bag be lightweight. We had spoken with an orthopedic surgeon who confirmed that heavy totes and bags were becoming more and more of a problem.

66. During her deposition, Kate Falchi indicated that I told her that I “wanted to take MZ Wallace and make it cheaper and bring it to the Midwest.” (Falchi Tr. 70:14-16.) While I do not remember making that exact statement, it is possible I referenced MZ Wallace, as my sister's

friend from Chicago, who was part of the Wisconsin focus group, had brought an MZ Wallace bag with her to the meeting. My intention was never to copy any one particular brand; instead, my intention was to analyze what was already available in the market and to build a new product based upon both my understanding of the strengths and weaknesses of potential competitors' products and my understanding of what consumers wanted. In May and June, as we were collecting this feedback from consumers, we were purchasing samples and analyzing products. I asked Kate to purchase both MZ Wallace and Vera Bradley samples for us to break down and study.

67. The focus group responses were helping me learn about the products consumers were carrying and what they wanted. In fact, the everyday carry that focus group participants were describing sounded a great deal like a more functional version of the quilted, synthetic Perfectly Puffy product I had worked on at Vera Bradley. After working with the Perfectly Puffy bag at Vera Bradley and seeing how poorly the product sold, I was quite surprised that consumers were asking for a similar product. Our focus groups really convinced me that consumer interest in a quilted, synthetic handbag was there, but our execution at Vera Bradley had been off. At Vera Bradley we had out priced our target consumer; here, however, Kate and I had the opportunity to create an entirely new brand and to target a new group of consumers—consumers who, like the individuals in our focus groups, were willing to pay around \$100 for an everyday carryall.

68. Around this time, mid-2017, Le Sportsac, which had recently been purchased by a Japanese company, had decided to focus on higher-end, \$200 products, in lieu of its traditional products which sold for around \$100. Vera Bradley had also recently decided to significantly downtrend the gift channel. These moves really left a void in the market for products around

\$100. In light of this void, I thought we should consider sales to third-party retailers, rather than merely focus on direct-to-consumer. There seemed to be a customer base for which the market did not have an adequate product.

69. While all of this Totem Totes work was happening, I was very seriously interviewing with TJX Corporation and I was preparing to leave Vera Bradley. I had started interviewing with TJX around late March, but the interview process consisted of a series of interviews over a period of months. The interview process had prompted me to reflect on my career and to think seriously about the direction in which I had wanted my career to progress. Assisting Kate had reminded me how much fun it was to study consumers and to create something that responded to trends in the marketplace. After seeking the counsel of colleagues in the industry, I officially left Vera Bradley in May of 2017, and I continued to simultaneously help with Black Diamond product development and interview with TJX.

70. Because the Totem Totes focus groups had led us to a very different, new product, Kate, to the best of my knowledge, was not interested in leading the design efforts. My understanding was that Kate wanted to focus on a direct-to-consumers product and was dedicated to continuing to develop the Totem Totes line. To the best of my knowledge, Kate felt that the lightweight, quilted handbag industry was already crowded with many designers, and her heart was still in Totem Totes. Kate continued to work for Black Diamond, focusing primarily on Totem Totes and various other projects. (Ex. D84, OT-0005646.) I, however, was intrigued by the opportunity to develop a different product and start my own brand. I had always wanted to create my own product line and I continued to develop this separate, new style.

71. Sometime around June 2017, we started casually calling this new product line Oliver Thomas, after my pet Shih Tzu, because we wanted a light name that sparked joy. The

name came to me one day when I was trying to juggle the many aspects of being a working mother, and was sternly instructing my sons to take Oliver Thomas for a walk. The Oliver Thomas name became official in July 2017. From there, I started to incorporate more dog-themed elements into our product line, including a doggie toile interior-lining that depicts Oliver Thomas and his friends. (Ex. D100, OT-0016630.) As an example, see the image below.



(Ex. D100, OT-0016630.)

Oliver Thomas the dog, is prominently featured in advertisements as our Chief Inspiration Officer. (Ex. D108, OT-0020284.) For example, Oliver Thomas is featured in our launch deck.



72. We also applied for and obtained trademark rights in an Oliver Thomas wordmark and developed a crown logo that is now featured on our products. (*See generally*, Ex. D100 & Ex. D108.) I continued to develop the Oliver Thomas line at the same time Kate Falchi was developing Totem Totes. (Ex. D116, OT-0023476 to OT-0023477; Ex. D91, OT-0006777 to OT-0006778.)

DESIGNING THE OLIVER THOMAS PRODUCT LINE

73. In late June of 2017, I traveled to China with Kate; Kate continued to focus on Totem Totes, while I engaged in initial discussions with manufacturers about this potential, new line. To the best of my recollection, Kate may have assisted me by taking notes during my meetings. In China, we met with Phyllis Yu and Carol Lau of Lee and Man and they helped me develop the Oliver Thomas concept. I knew that I wanted a feminine, lightweight carryall with lots of pockets and zippers. However, I was not exactly sure how this basic concept translated to design. At this point, I was also fairly certain that I wanted to work with a synthetic fabrication in order to create a truly functional handbag. We looked at different fabrications, and Lee and

Man produced some initial sample products for us to review. I considered coated black twill and denim fabrications that looked very “plastic-like” and lacked that soft feel of a winter coat. I also saw a ripstop nylon handbag. However, the ripstop looked awful; it lacked the structure necessary to give the bag a richer, quality look. In contrast, quilted, synthetic fabrications created a higher quality, soft look. While the concept was still muddy at this point, the ultimate price point of our product was not. I absolutely knew that based on consumer feedback and my knowledge of the market, our final design needed to be sold for around \$100.

74. After our meeting, I continued to develop the Oliver Thomas concept. Kate assisted by working with a technical designer who helped to turn some basic sketches into a tech pack. I remember looking at a sketch of a duffel with a wide-mouth zipper. I considered the duffel in both quilted and ripstop. I also continued to study the Vera Bradley Perfectly Puffy, the Vera Bradley Preppy Poly, as well as MZ Wallace’s quilted nylon bags, Lululemon bags, and other duffel bags. (Ex. D128, OT-0028526.) Additionally, during this time, I worked with Kate to put together a very basic concept deck, which later developed into the Oliver Thomas launch deck. (Ex. D108, OT-0020279 to OT-0020304.) Because some of our initial sketch prototype concepts were based on samples, these concepts contained some of the elements that are unique to the brands that made the samples we studied. These initial prototypes were never intended to be the actual designs we sold; we were merely finding a basic concept and we planned to engage in a great deal of product development and refinement.

75. With a basic business concept and some limited sketches, I traveled to China and met with Lee and Man in late July. I used this meeting to decide on some of the details of my new design. We all met in a room with Phyllis Yu, Carol Lau, another head merchant, an engineer, and the head of the sample room. Our goal was to figure out how to transform the

Oliver Thomas concept into an actual product and hit certain price points. Lee and Man had produced sample products for us to review. We also had a number of competitors' samples in the room to analyze; samples included products from Patagonia, MZ Wallace, Le Sportsac, Vera Bradley, Lululemon, Diesel, Nordstrom's private brand, L.L. Bean, and possibly Herschel. There were also a number of Chinese brands in the room, as Chinese manufacturers will often highlight local brands to give customers an idea of the products of which they are capable of making. For example, the image below was sent to me by an employee of Youngsun Fashion, a manufacturer in China interested in doing business with Oliver Thomas. The image depicts quilted bags Youngsun had previously made.



(Ex. D79, OT-0002182.)

76. During the meeting, I highlighted my desire to create a modern, trendy, functional, lightweight handbag. By this time, I was convinced that quilting was the right fabrication. Quilting was a fabrication I understood. I had worked with quilting at Ralph

Lauren, at L.L. Bean, at Lands' End, and at Carhartt, and I knew that quilting was an economical way to create a strong, lightweight, tear-resistant product. In July 2017, I was trying to create a strong, lightweight, tear resistant carryall; quilting was the obvious solution.

77. I had also received focus group feedback indicating that consumers wanted a handbag that looked and felt like a soft, puffy coat. My goal was not only to create a functional handbag, but also to create an on-trend handbag that consumers wanted. Consumers were interested in a quilted product at a reasonable price point. Analysis of trends was certainly a part of my decision-making process and has continued to be a part of my design process since the conception of Oliver Thomas. Just as my team at Kohl's analyzed trends to inform our strategy, my team at Oliver Thomas analyzes trends. According to trend forecasts, consumers wanted and still want quilted products. (Ex. D89, OT-0006759; Ex. D137, OT-0047222 to OT-0047223.) At the time we were initially designing Oliver Thomas, quilting was the ideal on-trend, affordable combination of functionality and a luxurious aesthetic. Analysis of trends was definitely a component of our design process. (Ex. D131, OT-0031522.)

78. Once I had decided that quilting was the right direction, the question became what type of quilting. During our meeting with Lee and Man, we discussed how to produce a quilted product at a competitive price point—specifically around \$100. Based on guidance from Lee and Man and my experience working with quilted products at other companies, we decided on a 1" x 1" square stitch. The smaller quilting patterns that we considered would have required an embroidery machine and additional time on the line, resulting in greater cost. Machines usually have standard settings in centimeters, but Lee and Man had recommended a 1" x 1" stitch, a measurement in imperial units, to help me better understand and conceptualize our potential product.

79. Some of the other samples we had in the meeting room, samples like products from Lululemon, exhibited quilting patterns that are larger than a 1" x 1" square stitch. While I had learned that simpler stitches like a channel stitch were less expensive to create, I had also learned that with the larger stitching, it becomes more difficult to line up the quilted panels and actually assemble the final product. The issue is that misalignment of panels with larger quilted stitches is more perceptible to consumers and creates an aesthetically displeasing look. As a result, cost of construction increases. Additionally, I was concerned that the channel stitch on a lighter weight fabric would be both more prone to tears and lead to an unappealing "bowing" appearance, as the bag would lack the structure necessary to stand without sagging. A 1" x 1" square stitch, oriented at a 45 degree angle, is a perfect sweet spot for minimizing cost—it is both a simple stitch and it is small enough and at a diagonal, such that minor misalignment does not dramatically impact aesthetic appearance of the overall product. Also, as I had learned at L.L. Bean, smaller stitches more effectively prevent tears.

80. From an aesthetic perspective, I love the quilting pattern that we settled on for Oliver Thomas. However, during my meeting with Lee and Man, the 1" x 1" square stitch was not my favorite option. Lee and Man also presented a more modern, geometric stitch that I instantly liked. (Ex. D106, OT-0019736.) The modern, geometric quilt is depicted on the bag on the left side of the image below.



This more complicated stitch would have required an embroidery machine, more time on the production line, and ultimately would have been more expensive. Creating totes in the modern, geometric stitch would have resulted in a product that cost around \$133. My goal was to create a more affordable product, for around \$100. I did not want to repeat my Perfectly Puffy experience at Vera Bradley. Moreover, I was noticing that the square stitch had become more commonplace in the market.

81. I also understood that the square stitch was a more standard, common stitch that could be produced on less expensive, ubiquitous flatbed equipment. At Kohl's in particular, I learned the importance of standardizing production lines in order to improve margins and to create supply-chain flexibility. Opting for a more standard, square stitch would give me the flexibility to switch manufacturers if I ever needed to do so for reasons like cost or unforeseen interruptions. I ultimately opted for a square stitch at 1" x 1" based upon this combination of factors, specifically factors including cost, functionality, trends, and supply-chain flexibility.

82. My supply-chain flexibility theory was affirmed when other manufacturers approached Oliver Thomas for potential business and provided examples of the standard, quilted-square products they had made for other companies. (Ex. D79, OT-0002177.) Ultimately, the decision to use quilted squares and to maintain supply-chain flexibility has been critical. In the face of recent tariffs on Chinese-made products, I have the flexibility to consider other options and to easily transition to production in other countries. I am continuing to work with Lee and Man, but I am contemplating moving a portion of my production outside of China.

83. During our meeting with Lee and Man, we also thought about a partially quilted design in order to cut back on cost. However, given the functional benefits of quilting, I was concerned that a partially quilted bag would be less functional—specifically, I was concerned

that the tear strength would be reduced and I would need to use a heavier, more durable fabric. Heavier, more durable fabrics were not an option because I had learned from focus groups, that consumers wanted lighter, softer fabric. I was also concerned that stitching together panels of different fabrics would lead to higher production costs. I wanted to use a single, uniform fabrication across the entire line, in order to reap the benefits of standardization and preserve supply-chain flexibility. As a result, we continued to pursue a completely quilted design that allowed me to select a softer fabrication and standardize production.

84. The fabric that I selected for my products is polyester. I decided on polyester because it was both affordable and offered all of the functional benefits I was looking for; polyester is washable, strong, stain-resistant, abrasion resistant, takes print and color well, has great colorfastness to light, and still exhibits that soft feel of a puffy jacket. During focus groups, participants clearly indicated that they wanted a product that is washable. Everyday handbags are dropped and exposed to spills, general dirt, and grime. I was convinced that to design a truly functional handbag that could serve as an everyday carry, our product needed to be machine-washable. Polyester is a particularly cost-efficient synthetic that is washable and provides the soft aesthetic for which consumers were looking. I had really decided on polyester prior to our late July meeting with Lee and Man, but looking at the samples we had with us during the meeting and discussing the logistics of production with Lee and Man really affirmed my selection. Also, I felt comfortable working with polyester, as it was a fabrication I had dealt with through my work at other companies like Vera Bradley.

85. During our meeting with Lee and Man, we also looked at details like how to best attach handles to our handbag. Lee and Man proposed a standard “X-Box” stitch because this stitch is a common, simple, and affordable way to attach handles to a handbag. Finally, we

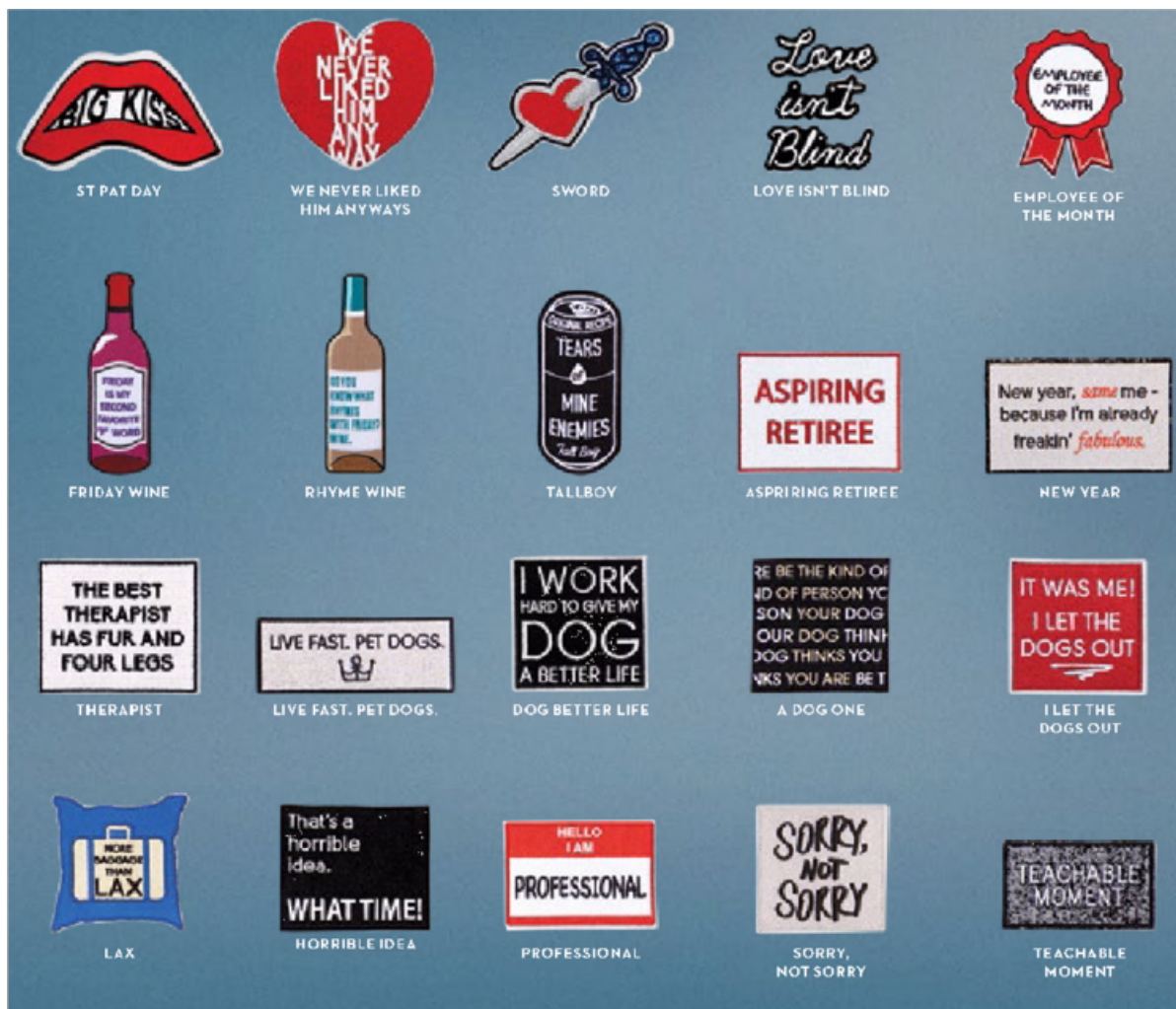
discussed adding a stripe to our products, in order to give the bags a sporty, modern, and trendy look. Overall, our meeting with Lee and Man was incredibly productive and we continued to develop the product via email correspondence thereafter.

86. Alan, Kate and I continued to study trends, and I circulated a copy of two Fall/Winter 2018 trend forecasting presentations hailing the popularity of nylon, soft fabrications, excessive padding, utilitarian products, and specifically, utility quilting. (Ex. D89, OT-0006759; Ex. 137, OT-0047217.) An excerpt of the presentation, promoting utility quilting is included below.



(Ex. D89, OT-0006759.)

One presentation also noted that “non-conformist slogan[s],” like the ones we incorporated into patches that could be used to customize Oliver Thomas products, were also trending. (Ex. D89, OT-0006756.) Examples of Oliver Thomas patches are included below.



(D100, OT-0016645.)

Additionally, that same trend presentation noted that “rebellious” graphics were becoming popular. In response, we were in the process of designing for our handbags, a fun, rebellious, graffiti print with phrases like “she be but little but she be fierce,” “warrior,” and “be present.” An image of our finalized graffiti print is depicted below.



(Ex. D108, OT-0020261.)

The trend forecasts really guided and affirmed our design choices and the overall direction in which Oliver Thomas was headed.

87. At this time, August 2017, Totem Totes simply was not coming together and Kate had started to develop her own line of clutches. I helped her by speaking with bridal boutiques about their interest in clutches and by sharing market share analysis and price point analysis. At this point, it was clear that Kate and I were headed in very different directions and she was not going to continue working with Black Diamond. I was still really excited about the new Oliver Thomas line. I started to think that it was the perfect time for me to make a clean break from corporate positions and pursue my own brand full-time. I chose not to continue interviewing

with TJX Corporation, and instead joined Black Diamond to run Oliver Thomas. (Ex. D134, OT-0031834.)

88. I continued to develop the Oliver Thomas design. Drawing upon decades of experience, I was involved in decisions about all details. Our decisions were rooted in analysis of cost, trends, and functionality. (*See, e.g.*, Ex. D176, OT-0020672.) For example, before including a snap closure on our handles we carefully analyzed cost. I also worked with Lee and Man to select colors for Oliver Thomas' bags by looking at competitors like MZ Wallace, as well as industry trends. Our manufacturer indicated that he looked at "reports from WGSN SS18, FW18, SS19, [] trends, plus [their] analysis," to come up with color ideas for Oliver Thomas. (Ex. D99, OT-0009303.) WGSN is a leading industry trend forecaster, and to the best of my knowledge, Lee and Man considered WGSN's trend indications for Spring/Summer 2018, Fall/Winter 2018, and eventually Spring/Summer 2019, as we continued to develop new products.

89. We made many design choices during the fall of 2017 and ultimately settled on a highly functional, vegan, machine-washable, lightweight everyday bag that we could sell for \$100. The final product had some of the original, successful elements of Totem Totes, folded into the Oliver Thomas line. (Ex. D123, OT-0026459.) For example, the final product included a "Secret Stash" compartment that functioned like a Totem Totes detachable cube, but was built into the inside of the product. Even after we completed a design, we continued to look to competitors like Vera Bradley, MZ Wallace, Lo and Sons, and others, to ensure that we would remain modern, and in touch with the products for which consumers were looking.

90. We have continued to design new products at Oliver Thomas. Competitive analysis remains a part of that process and we have looked to a variety of competitors including

brands like Sol and Selene. (Ex. D104, OT-0019331.) Because the \$100 price point is such an integral part of our strategy and reflects our desire to fill a particular void in the market, cost is a very important factor in design decisions. The \$100 price point is so critical that there have been times when we have wanted to produce a more expensive design and have lowered our margins, in order to do so and still sell our products for around \$100. For example, color block totes often cost more to create; factors like alignment of the two color panels increase cost. In order to keep the price point down, we accept lower margins.

91. We have also continued to reach out to consumers to understand what they want. We have collected informal feedback from friends and family and conducted informal focus groups. For example, we conducted a casual focus group at Dean College with student athletes, in order to better assess product performance for individuals with multifaceted lives. (Ex. D122, OT-0025511.) We also conducted a focus group amongst trainers at a gym to obtain feedback regarding our new Kitchen Sink Duffle bag. Our goal is to constantly improve and to adapt with the consumer.

QUALITY CONTROL

92. We also initially went to and continue to go to great lengths to ensure that our designs were and are properly manufactured and produced without defect. We hired a third-party vendor named SGS Hong Kong, to assist with quality assurance and inspect final products. SGS examines quality of workmanship and looks specifically at issues like the seam to handle strength, the strength resistance of snaps, the performance of zippers, colorfastness, and tear strength. (Ex. D73, OT-0000874.) Products that do not meet quality control standards are destroyed. (Ex. D85, OT-0005873.)

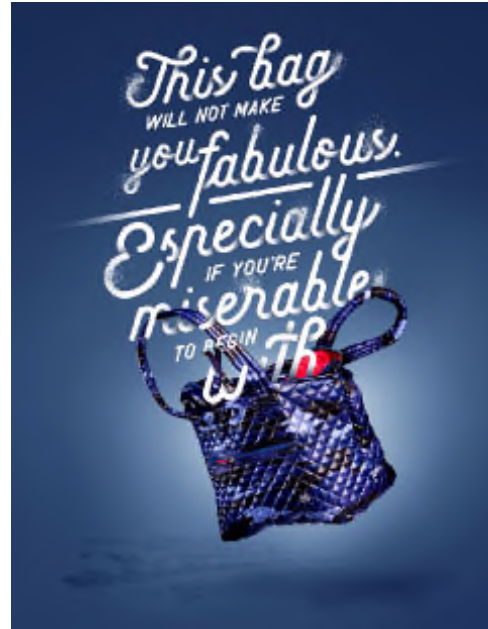
93. Additionally, whenever we receive any samples that we believe are inadequate we insist that Lee and Man fix the issue before a final product is shipped to a customer. (*See, e.g.,*

Ex. D69, OT-0000317.) We also look at product performance and test issues like how products withstand machine washing. Overall we have always and will continue to diligently inspect our products and strive to send consumers only high-quality goods.

DEVELOPMENT OF THE OLIVER THOMAS BRAND & MARKETING STRATEGY

94. After designing the basic pieces comprising the Oliver Thomas line, the next step was to promote our brand and market our products. Throughout the initial design process, I had a strong concept of brand voice and personality. At the time, I was very disappointed with the direction in which the fashion industry was headed; as I had witnessed first-hand while working in other positions, companies in the fashion industry were struggling and industry players seemed to have lost focus on designing an actual product that consumers wanted and needed. I also remember being overwhelmed by the deluge of social media influencers and the culture of effortless perfection they cultivated. I wanted Oliver Thomas to be different—to be a fun, slightly irreverent brand that did not take itself too seriously. (Ex. D74, OT-0001271; Ex. D127, OT-0028328.) I also wanted Oliver Thomas to be a very real, authentic brand for real women. I was tired of all the artificially curated brands. At Oliver Thomas, we were making functional bags for real people and I wanted that to be evident through Oliver Thomas' brand identity.

95. This fun, irreverent tone was incorporated into our marketing materials. We tried to create a voice that was distinct from our competitors and that playfully acknowledged the realities of life. We used rebellious and fun phrases like “[t]his bag will not make you more interesting or artistic,” “[t]his bag will not give you street cred,” and “[t]his bag will not make you more attractive to potential lovers.” (Ex. D68, OT-0000289.) We wanted to be real and to playfully acknowledge that we sell functional handbags, not the panacea for all of life's troubles. Examples of our advertisements are included below.



(Ex. D96, OT-0008177, OT-0008181.)

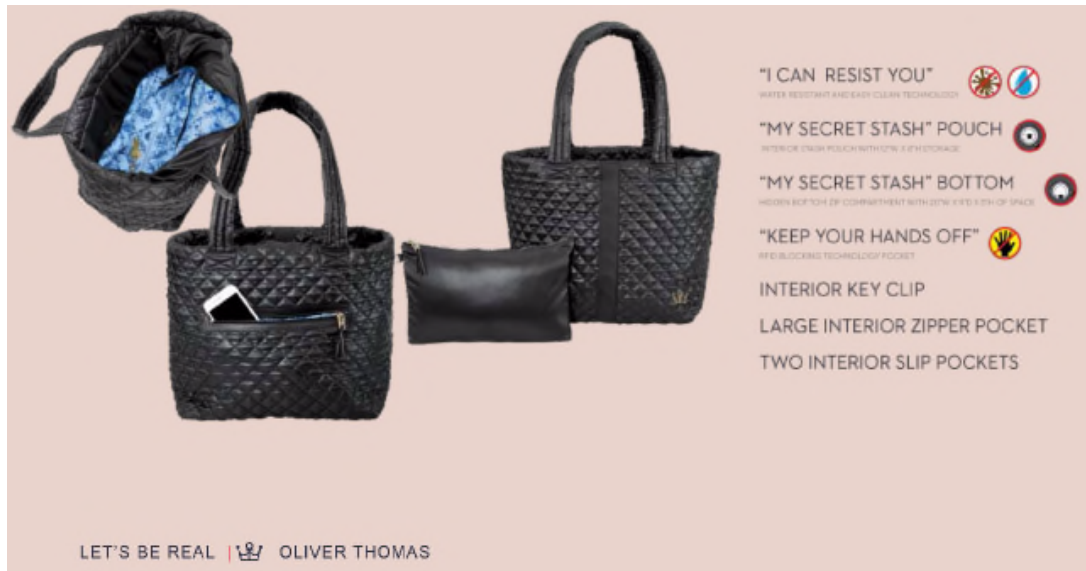
96. At times I have thought about and described this more authentic approach as “burning the fashion rulebook.” In using that phrase I merely meant that Oliver Thomas was going to sell high-quality, affordable products designed for very real women, rather than continue to perpetuate the manicured, perfect, yet unattainable lifestyles so often advertised on social media by other fashion brands.

97. This brand identity was incredibly important to us. We advertise our products on social media (Ex. D78, OT-0002114) and we are very careful to maintain consistent tone and look, in order to ensure that it is clear that we are our own, unique company. (Ex. D67, OT-0000208.) We consistently use an Oliver Thomas word mark and crown logo, in addition to consistent fonts, colors and hashtags including “#LetsBeReal” and “#TheRealOliverThomas.” Our social media accounts always include our brand name. For example, our Facebook page is “The Oliver Thomas” and our Instagram handle is “@TheOliverThomas.” We also worked with a company called Elevin Studios to create a series of comical, tongue-in-cheek YouTube videos

that exhibit our characteristic playful and irreverent tone. (Ex. D66, OT-0000112.) These videos similarly, prominently feature our brand name.

98. With a focus on social media, we think it is important to carefully monitor the effectiveness of our social media spending and to analyze how social media user clicks translate to the purchase of Oliver Thomas products. (Ex. D86, OT-0005982.) For example, as of March 2018, social media advertisements led to 1/3 of the traffic on the Oliver Thomas website. (Ex. D86, OT-0005984.) This suggests to me that potential consumers are seeing these advertisements and social media pages that so clearly convey our brand's unique identity and tone. Consumers know we are Oliver Thomas and I have not encountered a single consumer who is confused as to who makes our products or who Oliver Thomas is as a brand.

99. In addition to cultivating brand identity, Oliver Thomas focuses on advertisements that promote and emphasize the functionality of our products. Emphasis on functionality was our strategy from the start. This strategy is not novel, and admittedly, competitors similarly emphasize the functionality of their products. (Ex. D110, OT-0021111.) However, functionality is a core aspect of a consumer's decision to purchase and we strive to provide the information that consumers need to evaluate our products. From the beginning, we intended to sell our product as a functional, utilitarian solution for everyday carry. In addition to promoting the lightweight, durable nature of the products, we also promote the water and stain resistant polyester, the secret stash pouch and bottom, the RFID technology built into the outer pocket of the bag and designed to prevent identity theft, and the interior pockets. (Ex. D107, OT-0020253; Ex. D80, OT-0002284.) An example of Oliver Thomas' promotional materials is included below.



100. We also emphasize the affordable price of our products. Because synthetic, quilted bags are so common in the marketplace (*see, e.g.*, Ex. D120 OT-0024429; Ex. D121, OT-0025304), we are best served by emphasizing what makes our products special. Our products are special because we have been able to create a highly functional, aesthetically pleasing bag, at a very attractive price point. Our goal was to fill the whitespace and consumer need in the marketplace for a synthetic, quilted bag priced at around \$100. As a result, we emphasize our price point and our functionality.

101. In order to determine how best to position the Oliver Thomas brand within the crowded handbag market, we have looked to a third-party vendor for assistance. We hired Agency 451 as an outside marketing team. Agency 451 helped us analyze how to best reach millennials, a major group in our target customer base. (Ex. D72, OT-0000624.) Agency 451 also collected data about competitors' advertising styles and spending, so that we could determine how to best grow the Oliver Thomas brand. (Ex. D98, OT-0009269.)

102. Agency 451 helped us look at the brand identities, email promotions, and websites of companies like Scout, Spartina, Hobo, MZ Wallace, Cinda B, Southern Tide, and Vera

Bradley. (Ex. D90, OT-0006768; Ex. D92, OT-0006780; Ex. D93, OT-0006787.) Analyzing and understanding the strategies of competitors allowed us to hone our own advertising strategy and maintain a brand voice distinct from that of competitors. We worked hard to differentiate ourselves. We looked at competitors' advertisements that we did not like to figure out what would not work. (Ex. D129, OT-0028545.) We also looked to creative, new social media influencers who were distinct from the fashion girls our competitors so often approached. (Ex. D95, OT-0007129.) We worked with Agency 451 to resist direct comparisons to competitors like MZ Wallace and Vera Bradley, and we emphasized our distinctive attributes—including characteristics like the machine washable nature of our products, the vegan nature of our products, the secret stash compartment, the outside zip pocket, our RFID technology, and the handle tab on our totes designed to ensure that the handles stay on a user's shoulders. (Ex. D105, OT-0019468; Ex. D102, OT-0018161; Ex. D124, OT-0026544.)

OLIVER THOMAS SALES

103. We sell our product both through direct-to-consumers and wholesale, as we focus on sales both through our website and to boutiques. (Ex. D82, OT-0003882.) Our goal was to capture the void in the market that was left as Le Sportsac and Vera Bradley significantly down-trended boutiques and the gift channel.

104. Our website is one of the primary channels through which we sell Oliver Thomas products. We worked with Agency 451 to ensure that our brand's tone and identity was accurately reflected in the design of the website. While we did look to competitors' websites, including MZ Wallace's website, for inspiration, we ultimately used a Shopify template and applied light pink and navy colors, as well as the script we often use in our advertisements, to give the website an Oliver Thomas look and feel. (Ex. D71, OT-0000513; Ex. D87, OT-0006205; Ex. D111, OT-0021238.)

105. We also worked with a local photographer to get detailed product images that we could use on the website. (Ex. D96, OT-0008175.) Because our photographer had not done work exactly of this type before, we pointed to images of competitors' products, including images of MZ Wallace and Vera Bradley products, for inspiration. (Ex. D112, OT-0021525; Ex. D88, OT-0006431; Ex. D113, OT-0022096; Ex. D115, OT-0023005.) The photographer ultimately looked to a variety of inspirational sources and shot each product on a model. (Ex. D97, OT-0008185.) This same photographer also helped shoot photographs for our line sheet. (Ex. D114, OT-0022965.)

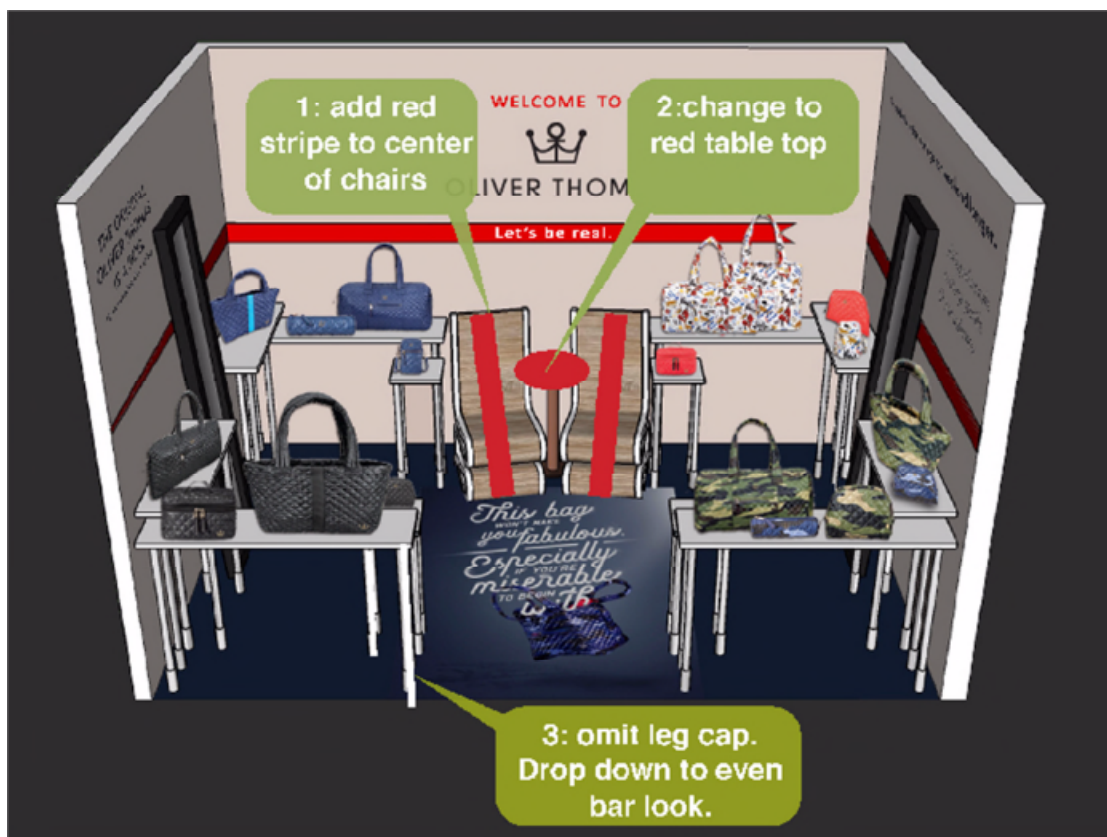
106. Oliver Thomas launched its website and began selling directly to customers on November 2, 2017, at which point we sold eight different styles of handbags in a variety of colors. (Ex. D81, OT-0003156 (Oliver Thomas product list, November 2017).) In line with Oliver Thomas' dedication to nonconformity and fun, we also sold distinctive patches that consumers could use to customize their products. We were targeting millennials and wanted to promote our trendy and functional product for multidimensional individuals. (Ex. D83, OT-0005108.)

107. Just as we analyzed data from our social media accounts, we also analyzed data from our website to determine who was visiting our website and who was actually purchasing our products. (Ex. D101, OT-0018101.) In March of 2018, our website analytics suggested that while we were targeting millennials and the majority of people visiting our website were between the ages of 25 and 34, product purchases were most often made by individuals ages 35 to 54. (Ex. D101, OT-00018102.) Additionally, 80% of purchasers were women.

108. In addition to selling products on our website, we also sell products wholesale to a number of boutiques. (Ex. D133, OT-0031833.) We work to ensure that we only sell to quality

retailers who understand the tone and identity of the Oliver Thomas brand. Retailers have reached out to us and expressed interest in our line. (Ex. D125, OT-0026804.) However, we decide on retailers on a case-by-case basis and consider factors like what other brands the boutique carries, whether the boutique is effectively displaying products, and whether the boutique is soluble enough to have its own credit card, as we do not sell under credit terms. We identify retailers through trade shows and our sales team also sends emails and meets with potential retailers to pitch our product. The sales team will often circulate our line sheet and marketing deck, to potential retailers. (Ex. D109, OT-0020608.)

109. While tradeshow were not initially a part of our sales plan, prior to the launch of our website, we went to a trade show in Atlanta to assess how the product might perform in the market. That show went very well, and based on those results, we decided to attend other trade shows. At tradeshow we use a booth design that very clearly conveys the Oliver Thomas brand and tone. (Ex. D177, OT-0048943.) We prominently display the Oliver Thomas wordmark and incorporate an attention-grabbing, red stripe motif reminiscent of the unique stripe we use on our Wingwoman totes. An image of our trade show booth design, as well as images of our Wingwoman tote are included below.



(Ex. D177, OT-0048944.)



(Ex. D186, Oliver Thomas Large Wingwoman Tote in Navy.)

OLIVER THOMAS MEDIA MENTIONS

110. We have worked hard to develop a unique brand that produces a highly functional, affordable product, and we have been noticed. Major outlets like *Forbes*, *Travel + Leisure*, *The Today Show*, *Cosmopolitan*, and more have featured our products. (Ex. D103, OT-0019181.) We hired Jennifer Bickerton, a PR representative, to help us manage and keep track of media mention including publications, video segments, and social media mentions. (Ex. D94, OT-0007102; Ex. D130, OT-0029579.) Jennifer has helped to ensure our brand is well promoted; for example, she helped coordinate an Oliver Thomas feature on *Access Live* hosted by Natalie Morales. (Ex. D126, OT-0027268.)

111. In promoting our products, third parties have noticed the functional attributes of Oliver Thomas handbags. For example, *Insider Beauty* noted that the exterior of our bags “scream[] Chanel” while the interior is “easy-to-clean.” (Ex. D117, OT-0023967.) *US Weekly* emphasized the “water resistant and machine washable” nature of our handbags. (Ex. D103, OT-0019183.) *MyDomaine* noted the “RFID-blocking technology” that allows consumers to safely store credit cards. (Ex. D103, OT-0019192.) *Elite Daily* described our handbags as “durable, lightweight, machine washable, and most important of all, super cute.” (Ex. D103, OT-0019193.) *Travel + Leisure* noted that Oliver Thomas bags have “a sleeve that slides over your luggage handle, a clip that keeps the straps from sliding off your shoulder, and a bottom zip compartment that’s perfect for keeping shoes separate from clothes.” (Ex. D103, OT-0019196.) These are just a few examples.

112. I was also interviewed by *Time* magazine and by *Forbes* magazine. (Ex. D103, OT-0019185 & OT-0019188.) Those interviews tell the story of the development of Oliver Thomas and really underscore that Oliver Thomas is a serious, legitimate start-up company that designs products consumers wanted and needed, but could not find at an affordable price.

OLIVER THOMAS' INTERACTIONS WITH MZ WALLACE

113. Prior to the initial events that led to this lawsuit, I had not interacted with the founders of MZ Wallace, or to my knowledge, any other employees of the company. We had considered MZ Wallace sample products and looked at the MZ Wallace website. However, MZ Wallace was one of a number of brands we looked to—including Vera Bradley, Scout, Spartina, Lo and Sons, and others. My work at Lands' End, L.L. Bean, Kohl's, and Carhartt taught me that competitive analysis is both necessary and commonplace. Beyond this commonplace, standard competitive analysis, I had not interacted with MZ Wallace's products.

Coterie

114. In February of 2018, the Oliver Thomas team attended the Coterie NY Women's trade show. I attended the first day of the show, but due to a PR engagement was unable to attend subsequent days. Unfortunately, on one of the days I was not at the show, I received a text message from a member of my team, informing me that Lucy Wallace Eustice had approached our booth, accused the team of producing MZ Wallace knock-offs, and informed the Oliver Thomas team that she was a New Yorker and knew how to fight.

115. This threatening and inappropriate behavior has continued since Coterie. I attended the deposition of Ms. Eustice, to which she arrived wearing a shirt that said "Bring It." During her deposition, Ms. Eustice confirmed that she approached the Oliver Thomas booth and informed the Oliver Thomas team that she knew how to fight. Additionally, when questioned about an email in which she indicated that she wanted to "fucking kill" me, she expressed no remorse for communicating that message. Instead, she indicated that she still wants to kill me. (Eustice Tr. 238:9-14.) Her behavior is unprofessional, unsettling, and inappropriate.

Social Media

116. The MZ Wallace team has also resorted to bullying tactics on social media. Our Instagram posts were flooded with comments that read “Check out @mzwallacenyc!!!,” in addition to comments that proclaimed Oliver Thomas a knock-off brand. (Ex. D118, OT-0024258; Ex. D119, OT-0024261; Ex. D138, OT-0049907; Ex. D139, OT-0049909.) To the best of my knowledge, which has been reinforced by deposition testimony, these comments were posted at MZ Wallace’s direction.

Litigation

117. On February 26, 2018 we received a cease and desist letter from MZ Wallace, asserting that we had infringed MZ Wallace’s alleged intellectual property and demanding that we stop selling our products. Because Oliver Thomas fully believes in its right to compete with a highly functional, trendy and affordable product, we engaged legal counsel to respond to the cease-and-desist letter. (Ex. D140, OT-0050029.)

118. Because we believe MZ Wallace’s claims are meritless we have continued to litigate, rather than settle this matter. However, as a start-up brand, the cost of litigation is a huge impediment to our efforts to get our business off of the ground and to turn a profit. Oliver Thomas is not yet profitable. As of July 31, 2018, with returns excluded, we had sold \$416,548 worth of products. (Ex. D147, OT-0050603.) However, our initial expenditures are substantial. To date, our most substantial expense has, by far, been the cost of this litigation, which as of July 31, 2018, amounted to \$1,172,016 and is approximately 2.4 times greater than our next largest expense, which is the money we spent on marketing and trade shows. While this cost is unduly burdensome for a start-up to bear, we fully believe in the potential of Oliver Thomas and rather

than capitulate to a larger company, we have done what we believe is necessary to invest in our future.

119. In preparation for this trial, I provided my counsel with eight Oliver Thomas products: an Oliver Thomas Wingwoman Tote in Black (Large), an Oliver Thomas Wingwoman Tote in Black (Small), an Oliver Thomas Wingwoman Tote in Basketweave (Small), an Oliver Thomas Wingwoman Tote in Basketweave (Large), an Oliver Thomas 24 + 7 Backpack in Black (Small), an Oliver Thomas 24 + 7 Backpack in Black (Large), an Oliver Thomas 24 + 7 Cellphone Crossbody/Belt Bag in Black, and an Oliver Thomas Wingwoman Tote in Navy (Large).

- Trial Exhibit D179 is the Oliver Thomas Wingwoman Tote in Black (Large) that I provided to counsel.
- Trial Exhibit D180 is the Oliver Thomas Wingwoman Tote in Black (Small) that I provided to counsel.
- Trial Exhibit D181 is the Oliver Thomas Wingwoman Tote in Basketweave (Small) that I provided to counsel.
- Trial Exhibit D182 is the Oliver Thomas Wingwoman Tote in Basketweave (Large) that I provided to counsel.
- Trial Exhibit D183 is the Oliver Thomas 24 + 7 Backpack in Black (Small) that I provided to counsel.
- Trial Exhibit D184 is the Oliver Thomas 24 + 7 Backpack in Black (Large) that I provided to counsel.
- Trial Exhibit D185 is the Oliver Thomas 24 + 7 Cellphone Crossbody/Belt Bag in Black that I provided to counsel.

- Trial Exhibit D186 is the Oliver Thomas Wingwoman Tote in Navy (Large) that I provided to counsel.

120. I also directed our manufacturer to create an Oliver Thomas Wingwoman Tote made of polyester, but without any quilting. Trial Exhibit D178 is the sample I directed my manufacturer to create and that I sent to my counsel. This sample is simply an un-quilted, polyester, tote bag. Without the quilting, the bag lacks the structure necessary to effectively maintain its shape and critical to the aesthetically pleasing appearance of Oliver Thomas' quilted products. For example, when dropped on a table, the sample simply falls flat.

OLIVER THOMAS MOVING FORWARD

121. At Oliver Thomas, we plan to continue to listen to our customers and to adapt as our customers' needs and preferences change. We care a great deal about sustainability and transparency and hope to further incorporate these values into future product lines. As we move forward we will likely make products other than handbags. We currently have plans to create a line of dog coats. No matter what we create, we plan to maintain our fun, lighthearted brand tone and identity.

I declare under penalty of perjury that the foregoing is true and correct. Executed in Birmingham, Michigan on this 16th day of November 2018.

/s/ Sue Fuller
SUE FULLER

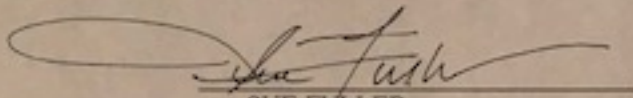
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